

Sunday Times | **Sowetan**

Shopper Survey 2019

Spar's Tops still
tops for a tippie

P5

Shoprite retains top spot P8

Kiddies do it for Woolies P11



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WHOLESALE STORE AND TOP 5

in Liquor, Electronic and Household Categories.

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Shopper Survey 2019

Foreword by Eben Gewers

Keeping track of SA's shoppers and their ever-evolving trends

Those who get it right are firm favourites versus those who may miss the mark

As human beings, we are tactile, sensory creatures. As shoppers, we like to hold, touch, smell and examine products. It's all part of the shopping experience. It's probably also the reason why – despite the convenience of online shopping – we are still drawn to brick-and-mortar shops and malls. Because while convenience and good service (whether online or instore) are essential for today's time-starved consumer, a good shopping experience will keep customers walking through the doors.

The Sunday Times/Sowetan Shopper Survey is now 12 years old. Together with our research partner, Kantar, we've been monitoring consumer sentiment towards retailers to determine those that are firm favourites in getting things right versus those who may be missing the mark.

The retail industry is extremely competitive, as we all know. Surviving in a tough economic climate – with shrinking margins, high property rental and warehousing costs, and labour issues – means some things will



Eben Gewers: Head, advertising sales at Tiso Blackstar. Picture: Robert Tshabalala



need to be prioritised over others, in order to keep a business buoyant. The ability to balance austerity with customer satisfaction is a fine tightrope to walk.

As a result, many established retailers are finding great benefit in the efficiencies that can be offered through online retail services. But exceptional customer service continues to remain imperative. Remember, your competitor is only one-click away. Whether your customers are online or strolling

through your aisles, it is up to the retailer to keep them enthralled. Discovering new products, testing them out, feeling their weight, their texture, trying them on for size, picking up their scent on your skin – they all present opportunities for retailers to showcase their wares with a captive audience, and drive them to the tills.

Tiso Blackstar remains committed to the Sunday Times Sowetan Shopper survey, delivering market research which has become the yardstick by which retailers measure their impact and relationships with customers. It's essential for retailers to understand what makes consumers tick, but also what their competitors may be doing differently to warrant shopper attention.

Kantar's research remains thorough, with more than 2,750 adult respondents over the age of 18 years interviewed, in metropolitan and non-metropolitan areas of the country. The final results have been weighted to represent the population according to StatsSA 2018 mid-year population estimates. Interviews were conducted at home, face-to-face.

Congratulations must go to Shoprite for once again winning the Grand Prix as the country's favourite retailer. Congrats to all the other award winners who continue to put their best foot forward with their customers.

In questioning the marketplace and finding gaps for innovation, the survey continues to deliver market intelligence for the benefit of retailers in SA. We're very proud to be part of it.

Methodology

Overview of the retail study

● 2019 brings the twelfth successful year in partnership with Kantar South Africa for the Sunday Times Retail Awards.

Once again this year the Retail Awards is a standalone Retail study due to extended questionnaire length to accommodate more in-depth attribute analysis in all the retail categories.

All respondents in both metro and non-metro areas were asked to obtain a national read of all categories and retailers.

The approach looks at a retailer's penetration in the marketplace, while also examining its relative strength among its users and its relative attraction among non-users – the concept of relative advantage over its competition.

This was accomplished by asking three questions:

- Retailer used within a defined time period (this period differed for each category);
- Retailers with which people were familiar enough to rate on a 10-point scale; and
- The actual rating of all those retailers on a 10-point scale.

From this, an index score for each retailer is generated from three variables derived from the questions above.

These are the actual usage of a retailer in a specified time period, the rating it receives from its users relative to others in the category and the rating it receives from those non-users aware of it – also relative to competitors in the category.

The non-user rating carries only half the weight of the user rating in the final algorithm.

The final index can be thought of as the retailer's standing in both the market place as well as in people's heads.

This is in line with the current thinking that brand equity is a function of both Power in the Mind and Power in the Market, coupled with the view that one must always take the attraction of competitors into account in any assessment of brand equity.

How a retailer can win

A winner occurs in one of three situations:

- If it is big and rated above average by both its users and its non-

users;

- If it is truly big but perhaps only rated as average by its users and non-users; and

- It is smaller but very well loved by its users and is strongly aspired to by its non-users.

Why is this approach more useful?

Most retailers have a good sense of their relative size – publicising this is good for the ego but not much else.

The approach adopted by Kantar allows more useful marketing insights to be gained: a brand can assess by how much more – or less – its users rate it compared with average – a heads-up for some, as well as an indication of the relative commitment people have to a brand.

Similarly, by looking at the non-user ratings, some idea of a brand's relative "pull" amongst its non-

users is gained – this is a good indication of its relative ability to attract new users.

Comparing usership and these two ratings' data tells marketers much about their relative power in the mind vs their power in the market.

The sample represents all SA adults

The total sample is 2,750 interviews in the metropolitan areas and 752 interviews in non-metropolitan areas of SA.

We talked to adults aged over 18 years and the final results have been weighted to represent the population according to StatsSA 2018 mid-year population estimates.

The study is representative of all adults across the country and is a relatively large sample in consumer research terms.

Face-to-face interviews were conducted at home.

Winners

Cash-strapped consumers shop around for good deals

Woolies wins both the shoe stores category and kids and baby clothing stores category

By LYNETTE DICEY

The past year has seen a fundamental shift in shopper behaviour as a result of poor economic growth, which is negatively impacting consumers' disposable income.

While monthly shopping remain the key shopper occasion for most consumers, top-ups have shifted from weekly to bi-weekly trips and basket value, according to a recent Nielsen index (Nielsen, South African Shoppers 'drop' the basket 2018 & EJD, Household Affordability Index 2019), has dropped by nearly R20, says Grace MacMahon van Eck, senior strategist at 34°, a retail and shopper marketing specialist agency.

This shift in shopping behaviour, she says, is giving consumers more power. "While shoppers make in-store purchasing decisions, product choice is strongly influenced by household members."

Shoppers are making trade-offs between category products, trading down, and shopping around for the best deal. "For many consumers, it's become commonplace to go to Checkers to get their meat, Pick n Pay to stock up on cleaning products, and Shoprite for frozen goods – the grocery cupboard is being filled with items from



Woolworths in Rosebank, Johannesburg. Picture: Robert Tshabalala 26/05/06 Copyright FM

different stores. But as shoppers shop around, they are also putting more private-label items into their baskets, which is driving rapid growth and product line expansion for the country's biggest retailers."

What does this mean for brands? As shoppers search for quality and savings, says Van Eck, value is more important than ever.

This year's Sunday Times/Sowetan Shopper Survey delivered few surprises, indicating that consumers largely tend to remain loyal to their favourite retail outlets, particularly those that offer perceived value for money.

In a number of categories, last year's number one and two retailers switched places in the 2019 survey: in the jewellery stores category

American Swiss clinched the top spot with Sterns in second position. Last year their positions were reversed.

There was a similar position reversal in the telecommunications stores category with Pepcell this year moving into first position and Vodacom Store, last year's winner in this category, moving down into second.

In the entertainment, music and book stores category, Musica and CNA swapped positions, with Musica moving into the top position.

In the shoe stores category, Woolworths and Edgars have switched first and second position. Woolworths has performed well in this year's survey, taking the

number one position in both the shoe stores category and kids and baby clothing stores category, and once again coming second in the women's clothing category behind Mr Price.

The women's clothing category in SA is a competitive sector with a number of players all vying for a share of consumer's increasingly constrained wallets. Expectations are that consumers will continue to be under pressure as a result of low economic growth.

Mr Price, which last year came third in the women's clothing category, took the top spot from Edgars, which has been pushed into third position this year. Mr Price is benefiting from correcting its merchandising issues and an

expanded store footprint. This year Mr Price plans to open an additional 48 stores.

The men's clothing category saw significant changes with Markham, Truworths and Edgars taking the top three spots, pushing Woolworths into fourth. In 2018 Edgars, Woolworths and Markham took the top three spots. Markham and Truworths are the retailers to watch in this category.

A number of categories were largely unchanged from last year. In the highly competitive grocery category Shoprite once again took top honours, with Pick n Pay in second position. Grocery retailers such as Shoprite, which position themselves on a lower price offering, are particularly appealing to cash-strapped consumers.

In the electronics and household appliance stores category Game once again took the top spot, followed by Clicks and Makro. In the hardware stores category Cashbuild retained its leading position, followed by Build it.

The rankings were also unchanged in the sports and outdoor stores category, with Totalsports retaining its number one position followed by Sportscene.

Not surprisingly, Makro once again clinched the top spot in the wholesalers category. Wholesale retailers in SA, particularly those selling big-ticket items like Makro does, have been under pressure in recent years as a result of the economic downturn. Servicing both wholesale and retail customers, Makro's value offerings continue to appeal to consumers. Its Black Friday deals are particularly popular with shoppers. Makro Liquor, which came fourth in the liquor and bottle store category, along with the wholesaler's impressive offering of children's toys as well as grocery items, continues to be a popular retail destination for consumers eager to take advantage of good deals.

In the tyre and auto fitment centres category Tiger Wheels & Tyre retained its top position, but this year Hi-Q took the second position from Supaquick, pushing the latter into third.

makro



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BIG on life



Liquor and bottle stores

Spar’s Tops still tops for a tipples

Clean, friendly shopping experience equals biggest market share

By SAMANTHA du CHENNE

The liquor and bottle stores category of the Sunday Times/Sowetan Shopper Survey saw little changes in the top four brands from last year: it was Tops at Spar in first position, followed by Shoprite Liquor Shop, Pick n Pay Liquor and Makro Liquor. It is perhaps no surprise that liquor retail outlets have evolved significantly in recent years with the addition of grocery brand liquor

outlets operating adjacent to supermarkets – offering shoppers a more efficient shopping experience. Most liquor retailers have an online shopping option for customers. Tops at Spar, which was launched 17 years ago in response to a call for a more women-friendly liquor shopping environment, has grown from an initial 16 stores to a national and international network of more than 800. It retains the biggest share of the convenience liquor market, according to group liquor manager, Mark Robinson. He attributes this to a clean, friendly and convenient shopping experience. The first LiquorShop, the Shoprite Group’s chain of stand-alone liquor outlets, was opened in 2005. It recently opened its 500th store, of which 295 are Shoprite branded. Shoprite’s general manager for marketing, Willie Peters, says the fact that



Tops has remained at the top of the game after responding to a call for a more women-friendly liquor shopping environment in SA which saw it grow from an initial 16 stores to a national and international network of more than 800.

LiquorShop is built on the same principles as the Shoprite supermarket brand resonates with customers and ensures it’s a trusted brand. LiquorShop sales have been consistent over the past couple of years, Peters says: “Our LiquorShop marketing strategies are built around the same principles as the supermarket mother brand – delivering on our low price promise to customers and providing real value for money. It is core brand principles.” Proof of LiquorShop’s success is in the multiple private-label awards the retailer has won. Seven of its private-label products won awards at the recent 2019 Old Mutual Trophy Spirits show. A growing number of LiquorShops are now offering click and collect services in addition to deliveries by Mr D Food. In late 2018 Checkers – also part of the Shoprite group – announced a partnership with Mr D Food, which allows customers to order and have alcohol – at regular Checkers Liquor Shop retail prices – delivered to their doorstep. Pick n Pay Liquor, which operates 241 company-owned outlets and 226 franchise outlets,

reported strong growth in its standalone liquor stores in the past year, adding 25 new outlets. Its liquor outlets are all situated close to its supermarkets and hypermarkets but with separate entrances. The largest online grocery retailer in SA, it also offers liquor sales online with delivery guaranteed in 24 hours. Makro’s Liquor outlets, situated adjacent to its main Makro stores, cater to both retail and wholesale customers. The wholesaler is seeing good growth in its online sales as it continues to appeal to consumers looking for the lowest prices.

WE CAME OUT
TOPS!

TOPS at SPAR was once again voted 1st in the "Best Liquor Store" category in the Sowetan / Sunday Times Retail Shopper Awards.

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YEAR IN A ROW

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TOPS at SPAR

tops!

at SPAR

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CATEGORY WINNERS

HOME ACCESSORIES AND DÉCOR STORES

1	MR PRICE HOME	67.13
2	SHEET STREET	65.41
3	WOOLWORTHS	62.01
4	EDGARS HOME	58.95
5	@HOME	55.11

JEWELLERY STORES

1	AMERICAN SWISS	66.57
2	STERNS	62.74
3	GALAXY & CO	56.96
4	ARTHUR KAPLAN	54.06
5	NWJ FINE JEWELLERY	49.74

LIQUOR AND BOTTLE STORES

1	TOPS AT SPAR	71.10
2	SHOPRITE LIQUOR SHOP	63.02
3	PICK N PAY LIQUOR	60.69
4	MAKRO LIQUOR	57.18
5	LIQUOR CITY	54.91

SHOE STORES

1	WOOLWORTHS	68.81
2	EDGARS	67.31
3	SPITZ	64.04
4	TIMBERLAND	57.07
5	JET	54.41

HARDWARE STORES

1	CASHBUILD	68.35
2	BUILD IT	63.79
3	BUILDERS (INCLUDING WAREHOUSE, EXPRESS, TRADE DEPOT)	60.74
4	CHAMBERLAINS	50.42
5	JACK'S PAINT & HARDWARE	49.70

PHARMACEUTICAL OUTLETS

1	CLICKS	73.98
2	DIS-CHEM	64.36
3	MEDIRITE (SHOPRITE/CHECKERS)	57.94
4	LINK PHARMACY	47.77
5	PICK N PAY PHARMACY	46.91

TELECOMMUNICATIONS STORES

1	PEPCELL	69.12
2	VODACOM STORE	62.71
3	MTN STORE	58.88
4	CELL C STORE	53.29
5	TELKOM STORE	52.91

WHOLESALEERS

1	MAKRO	77.08
2	KIT KAT CASH & CARRY	60.45
3	SUNSHINE CASH & CARRY	49.91
4	JUMBO CASH & CARRY	49.78
5	TRADE CENTRE	49.29

ENTERTAINMENT, MUSIC AND BOOK STORES

1	MUSICA	65.45
2	CNA	64.19
3	APPLE APP STORE	57.56
4	EXCLUSIVE BOOKS	53.67
5	NETFLIX	51.76

ELECTRONICS AND HOUSEHOLD APPLIANCE STORES

1	GAME	65.23
2	CLICKS	59.62
3	MAKRO	59.53
4	HOUSE & HOME	56.67
5	SAMSUNG	56.38

KID'S AND BABY CLOTHING STORES

1	WOOLWORTHS	68.96
2	ACKERMANS	67.51
3	EDGARS	63.99
4	NAARTJIE	60.10
5	MR PRICE	59.71

MEN'S CLOTHING STORES

1	MARKHAM	65.32
2	TRUWORTHS	64.63
3	EDGARS	64.21
4	WOOLWORTHS	64.07
5	MR PRICE	63.87

FURNITURE STORES

1	MR PRICE HOME	59.31
2	HOUSE & HOME	58.94
3	BRADLOWS	58.83
4	RUSSELLS	57.01
5	ROCHESTER	56.86

HEALTH AND BEAUTY STORES

1	CLICKS	77.93
2	DIS-CHEM	68.32
3	EDGARS	49.76
4	WOOLWORTHS	46.85
5	RED SQUARE	46.49

SPORTS AND OUTDOOR STORES

1	TOTALSPORTS	66.97
2	SPORTSCENE	64.30
3	EDGARS ACTIVE	59.66
4	ADIDAS	58.06
5	MR PRICE SPORT	57.62

TYRE AND AUTO FITMENT CENTRES

1	TIGER WHEEL & TYRE	62.39
2	HI-Q	58.54
3	SUPAQUICK	56.55
4	DUNLOP ZONE	56.40
5	AUTOZONE	54.83

WOMEN'S CLOTHING STORES

1	MR PRICE	69.78
2	WOOLWORTHS	67.94
3	EDGARS	66.23
4	TRUWORTHS	65.27
5	SPORTSCENE	60.80

GROCERY STORES

1	SHOPRITE	79.70
2	PICK N PAY (SUPERMARKET/HYPERMARKET/FAMILY STORE)	77.38
3	SPAR/ KWIK SPAR/SUPER SPAR	69.87
4	CHECKERS/CHECKERS HYPER	66.59
5	WOOLWORTHS	63.40



Entertainment, music and book stores

Musica prevails amid fewer stores, streaming

Surprise winner in challenging category with many competitors

By SAMANTHA du CHENNE

One of the surprises of the survey was the fact that Musica came out tops in the entertainment, music and book stores category, despite a reduced store footprint. This continues to be a challenging category with many retailers in this sector amid changing consumer habits.

Musica, which retains the majority of the country's CD market, has been impacted by declining sales of CDs as consumers



Musica is a favourite entertainment retailer for shoppers

increasingly download their music online. Part of the Clicks Group, in the past year Musica has reduced its physical footprint from 112 stores to 104 stores as it continues to struggle to reinvent itself.

The Musica brand, says finance executive Gustav Schoeman, continues to strategically diversify its product offerings, which can be

seen with Musica's best brands and wide ranges across a variety of technology, gaming and accessories products offered in stores. Its full product range is available online.

Schoeman adds that the Clicks ClubCard loyalty programme, which offers members exclusive entry to competitions, special offers and promotions, remains an

important contributor to Musica's sales.

CNA, part of the Edcon group, came in second in this category. The brand, which consists of 168 stores countrywide, has embarked on a five-year growth plan focused on smaller store and shop sizes in convenient locations to better serve customers, says CNA MD Julie Day.

"Stationery, encompassing 'killer categories' dominates in our stores with a full spectrum of stationery across scholastic, home office and fashionable on-trend items. In addition, there is a renewed focus on arts and crafts ranges," she says.

Its secondary strategic focus is education. "While CNA dominates the market in terms of study guides, we're working on a comprehensive childhood educational development range across the various life and learning stages of children with the involvement of occupational therapists and other subject-matter experts in the industry," says Day. The retailer's renewed strategic focus was reflected in positive results achieved in the first quarter of 2019.

SA's largest bookselling chain, Exclusive Books, continues to be a favourite retailer among book lovers. With more than 40 stores countrywide, it recently opened new stores in the Mall of Africa and Fourways Mall in Gauteng with a further store opening planned for



Julie Day: MD, CNA

Windhoek, Namibia.

The bookseller has reignited its partnership with Seattle, feeding the growing desire for quality coffees among its customers as it continuously explores ways to deliver more value to customers.

New CEO Grattan Kirk has been tasked with making Exclusive Books profitable once again. SA's book market is notoriously small: if a bestseller sells 20,000 copies, that's deemed excellent. Book sales in the UK grew 2.1% in value and 0.3% in value in 2018, helped in part by Michelle Obama's book, *Becoming*, which sold more than 500,000 copies in less than two months.

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Grocery

Shoprite does it again in a highly competitive sector

Positioning itself as Africa’s most accessible retailer continues to pay off

By LYNETTE DICEY

The grocery retail sector in SA is a highly competitive one, particularly given the tough economic environment which is playing a large part in influencing where consumers shop. Many grocery retailers are capitalising on this trend with special offers, making shoppers less brand loyal than ever. Bearing in mind that loyalty based on price is unlikely to be permanent, grocery retailers are cognisant of the fact that they need to continue to provide positive shopping experiences. Most have introduced some form of loyalty rewards programme in order to attract customers, arguably the most successful of these is Pick n Pay’s SmartShopper programme. Shoprite, which once again took pole position in the grocery category of the Shopper Survey, has long positioned itself as Africa’s most accessible retailer, providing consumers with affordable, nutritious and quality food. The group has managed to keep its selling-price inflation capped at 1.2%, the same as the previous year. In order to remain an attractive value proposition for customers, it has deflated many items in key



Shoprite remains a favourite grocery outlet for SA consumers. Picture: Jeremy Glyn

categories, ultimately ensuring that a surprising number of products were priced lower than the previous year. As the largest supermarket chain in Africa, Shoprite has the critical mass to offer better prices, something cash-strapped consumers clearly appreciate.

What gives the brand its edge with consumers, says Willie Peters, general manager for marketing, is the fact that it consistently delivers on its low-price promise to customers. “It’s more than just a marketing pay-off line. It is a commitment we live by every day

and which is integral to everything we do.” Its footprint extends beyond SA to include 14 African countries. Shoprite has faced challenges beyond SA’s borders including forex shortages, currency devaluations and rampant inflation in Angola.

The retailer says it has faced a “testing year”. Its earnings for the year ending June 2019 were down 18.2%. Shoprite’s local supermarket division, however, performed well, though overall sales have declined as a result of a constrained economy, inventory shortages after industrial action and the implementation of a new IT system. Pick n Pay once again came in second in this category. Despite a challenging trading environment, the retailer has increased turnover by 7.1%. Its clothing, liquor and online divisions are all performing well. Pick n Pay continues to invest in winning over customers through lower prices, more attractive promotions, value-added services and more modern stores. However, like Shoprite, Pick n Pay has had to contend with selling-price deflation. Spar’s emphasis on convenient locations, ensuring it has every product in stock and getting the basics right, is paying off. The retailer was voted the second-best supermarket – after Woolworths – in the most recent SA Customer Satisfaction Index (SACSI). Checkers, also part of the Shoprite Group, is the grocery retailer to watch as the group implements a repositioning strategy aimed at capturing a greater share of the premium food segment. Checkers is starting to benefit from the revamp of some of its stores in an attempt to appeal to a higher LSM market. More than 20 existing Checkers stores have already been upgraded and plans are in place to upgrade an additional 80 stores. Woolworths, which this year came in fifth in the Shopper Survey, has long traded on its reputation for offering the best customer experience of all grocery retailers in SA. A number of competitors, including Spar and Checkers, however, are starting to encroach on this space as they too improve the in-store shopping experience and upgrade their packaging, offering customer’s perceived equivalent value but at more affordable prices.

Loyalty programmes

An extra currency for shoppers

By LYNETTE DICEY

As value becomes more important than ever and shoppers search for savings – ideally without having to sacrifice quality – loyalty programmes are becoming increasingly prevalent. The average South African belongs to no less than nine programmes, according to research by consultancy, Eighty20. Retailers leverage their loyalty programmes to give customers greater perceived value at times when consumers are more price-sensitive, says CEO and head of analytics at Eighty20, Steve Burnstone. “A loyalty or rewards programme is built on the assumption that customer behaviour will be

positively impacted with the cost of rewards offset by the incremental profit due to the change in customer behaviour. In other words, if the rewards are based on discounts of existing products, the cost to the company of the rewards are reduced by the profit margin of the goods being discounted,” he explains. Some programmes are more successful than others. Those that fail, says Burnstone, do so because from a customer perspective the rewards are not worth the effort or are not relevant to customers; the programme lacks innovation and evolution; the company fails to adequately communicate or market the programme; it offers only limited earning options; there is a lack of personalised offers and rewards; it’s difficult to use or understand; or there is a

misalignment between the brand, product or service. Currently, most programmes reward customers for certain behaviours, utilising a push strategy. Rob Anderson, founder and CEO of digital rewards company Brand Hubb, believes the future of the reward landscape will be focused on less intrusive pull-strategies that reward consumers for voluntarily engaging with brand content. Brand Hubb, which was established in 2016, is premised on the idea of shifting power back into the hands of consumers and adequately rewarding them for sharing their data. As such it rewards consumers who register on its website and voluntarily engage with its clients’ brand content through a digital currency called MeBucks, which can be spent on the

platform’s integrated BrandShop. Clicking, watching, sharing content as well as completing surveys are all seen as a form of engagement and, depending on what a particular brand has allocated, any of these engagements can be met with a MeBucks reward. One MeBuck equates to R1, ensuring straightforward reward calculations. A number of trusted brands including Apple, Adidas and Coca-Cola have already signed up with the Brand Hubb platform. Two of the most successful loyalty and reward programmes locally are Pick n Pay’s Smart Shopper and Clicks’ ClubCard, both of which regularly top the rankings of SA’s most popular retail rewards programmes. Smart Shopper, launched by Pick n Pay in 2011, has more than

7-million active members. The programme is increasingly offering more personalised discounts, which has resulted in a significant increase in customer redemptions. Last year the retailer launched the Smart Shopper Stokvel card, which caters specifically for stokvel groups saving for groceries, providing all the same benefits as the Smart Shopper, as well as additional grocery and product promotions. The Clicks ClubCard programme, the first retail loyalty programme to be introduced in SA, is the largest loyalty programme in the country with more than 7.5-million active members. Free to join with no monthly membership fees, its biggest differentiator is its ease of use.



Health & beauty

Clicks remains a firm favourite with shoppers

ClubCard, with 7.5m members, is the leading loyalty programme in SA

By LYNETTE DICEY

A perennial favourite in the Sunday Times/Sowetan Shopper Survey is Clicks, which has once again won both the Health & Beauty category and the pharmaceutical category. Dischem is in second place in both categories.

Clicks, which was established more than 50 years ago in Cape Town, has long used its value proposition to differentiate itself. Cognisant of the fact that consumer



Clicks's exclusive promotions have bagged it the top honours once more.

spend is under pressure, Clicks has focused on attracting customers through regular great deals and has continued to invest in advertising and marketing. As a result the group has grown its market share, expanded its margins and continues to generate strong cash flows.

In the past year the group reported that turnover was up 6.2% while health and beauty sales had grown by 8.5%, with good volume growth and market share gains across most product categories. Competitive pricing and appealing promotions have played a

significant part in this growth.

Clicks' 3 for 2 promotions have become synonymous with the brand as has its hugely successful loyalty programme, the Clicks ClubCard reward programme, which was the first loyalty rewards programme introduced in SA.

According to Truth, a specialist customer centricity and loyalty programme development consultancy, Clicks ClubCard is the most popular loyalty programme in SA, followed by Pick n Pay's Smart Shopper and Dischem's Benefit programme.

With more than 7.5-million active members, ClubCard has grown to be the leading retail loyalty programme in SA. Rachel Wrigglesworth, chief commercial officer at Clicks, says the beauty category lends itself to rewards including early access to new products and interactive beauty events. The Clicks ClubCard is free to join, easy to participate in and rewards are uncomplicated and easily understood. "The rewards are straightforward and don't change often. The result is that customers understand it and trust it. The key to the programme is end-to-end simplicity."

Clicks has partnered with Shell, Discovery Healthcare, Sorbet, The

Body Shop, Musica, SpecSavers & Execuspecs, City Lodge Hotel Group, Europcar and Netflorist to provide ClubCard members with additional opportunities to earn points.

ClubCard members earn one point for every R5 spent in store with each point equating to 10c. Members qualify for a cashback reward which is paid every two months directly into their ClubCard.

Clicks' origins were inspired by the US drugstore model. The first Clicks pharmacy opened in 2004 and soon changed the face of the retail pharmacy sector in SA.

By February 2019 Clicks boasted a pharmacy network of 528 stores and has a 23.8% share of the retail pharmacy network. Despite a tough trading environment and constrained consumer spend, Clicks currently offers the largest pharmacy chain in SA.

The group continues to expand its store footprint, which at the end of February 2019 stood at 680. A total of 41 new stores are planned for the current financial year.

An online shopping option was introduced in 2016. The online store is currently the chain's fastest-growing store. Clicks' value proposition appears to be paying off for both the group and consumers.

THANK YOU SOUTH AFRICA

for voting PEPcell as the Top Cellular Store in 2019!



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Sunday Times and Sowetan
readers voted us number one
in the Baby & Kids' Clothing
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W



Tots & infant apparel

Little ones do it again for Woolies

Growth in sector comes from assortment and execution in products

By ASHA SPECKMAN

Amid rising petrol, electricity and water costs, SA's brand-conscious consumers still favour pricier outlets to shop for baby and children's clothing.

Luxury retailer Woolworths has emerged as the preferred brand for tots and infant apparel for the second consecutive year in the Sunday Times/Sowetan Shopper Survey.

The company said it had realised



Woolworths children's wear is a popular brand for shoppers.

significant growth in children's wear and baby clothing over the past year across all age groups.

"The biggest contribution towards our growth comes from the improvement in our product assortments and execution of our

products. We are focussed on offering our customers great quality at value."

This follows a period in which the company's fashion, beauty and home division sales had seen some rebound following a disastrous period last year, although analysts believe the recovery may be temporary.

Casparus Treurnicht, portfolio manager at Gryphon Asset Management said: "They lost so much market share last year that by resetting some of their clothing lines and at least just falling back in line with competitor styles they could prevent a further slide."

The company said its strategy remained unchanged. "We are cautiously optimistic that our growth will continue and we are confident with our product assortments."

But while in terms of financial performance the clothing division had stuttered slightly, the brand equity remained



strong as its dominance atop the index showed.

Rubab Abdoolla, senior research analyst at Euromonitor said: "Consumers associate brands such as Woolworths with quality and are more likely to spend on items that are going to be used for longer, for example purchasing a jacket for a relatively older child that will not grow out of the clothing quickly."

But there are some surprise developments in the poll this year as last year's favourites – Cotton Kids and Foschini – were knocked off the top 10 on the baby and children's clothing index.

Instead, homegrown children's clothing brand Keedo and budget retailer Pep have climbed into the ranks of crème de le crème in the apparel for minors.

The shifting trends have not surprised some analysts.



Abdoolla said: "The underlying trend is the fact that consumers are seeking value in this difficult consumer environment. As a result affordable and trendy brands were beginning to overtake



higher priced brands."

But that only meant that parents were taking a more cautious approach with spending and were unlikely to dump more expensive children's clothing.

Smaller family units and improved household income generated more to spend among some middle- and high-income earners who have begun to be "on the lookout for stylish and unique clothing items," Abdoolla said.

In this area, retailers such as Naartjie and Earthchild, which were listed at fourth and ninth respectively on the index, have gained a foothold.

The refined taste of these consumers see them procure clothing made from 100% organic cotton and ethically sourced.

But for a "wide majority of the population, given the current economic situation, affordability remains a key purchasing factor," she added.

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